

In the September survey, the opening question was "How would you use a consultant for a day?" We then turned to emerging new factors possibly affecting the running costs of businesses: Trades Union membership, cost increases due to pension legislation, responses to increased insurance, N.I. contribution costs, and Data Protection. In the light of recently published national statistics we asked "Are you a family run business?" Our quarterly business trends results are also included this month.

About the respondents

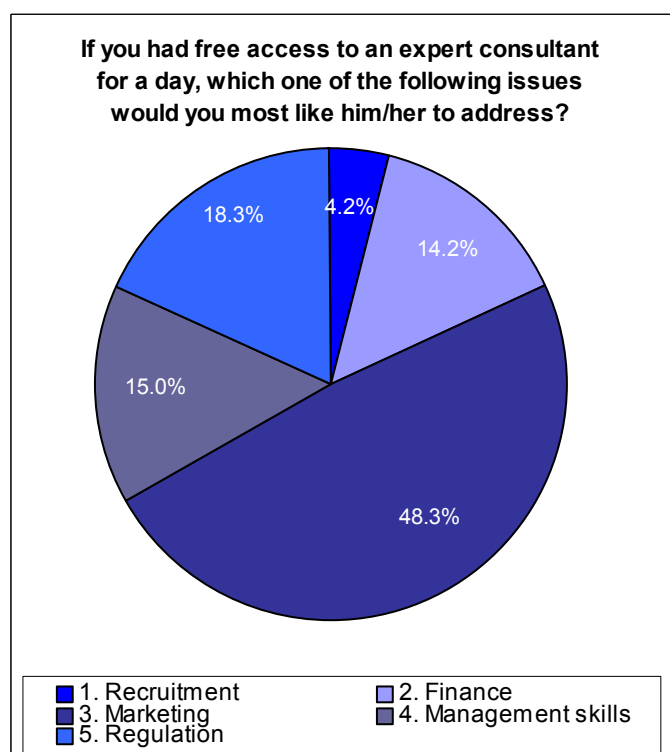
126 respondents were drawn with the following population characteristics:

Sector			
Production & Manufacturing	Distribution	Services	Total
39.2%	8.3%	52.5%	100.0%

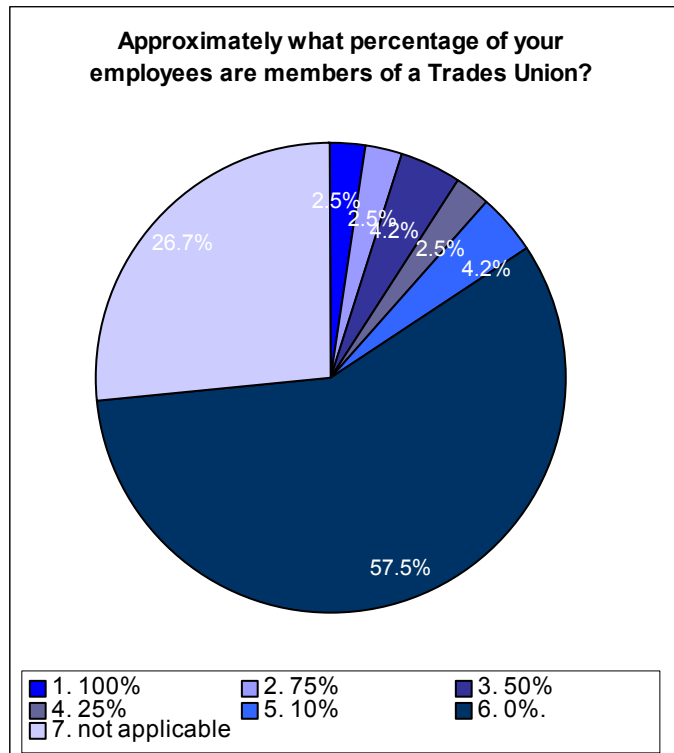
Turnover (£)			
< 1 M	1M-3M	>3M	Total
56.7%	23.3%	20.0%	100.0%

Number of Full-time Employees						
1-10	11-20	21-50	51-100	100+	unknown	Grand Total*
35.0%	35.8%	11.7%	5.0%	5.8%	6.7%	100.0%

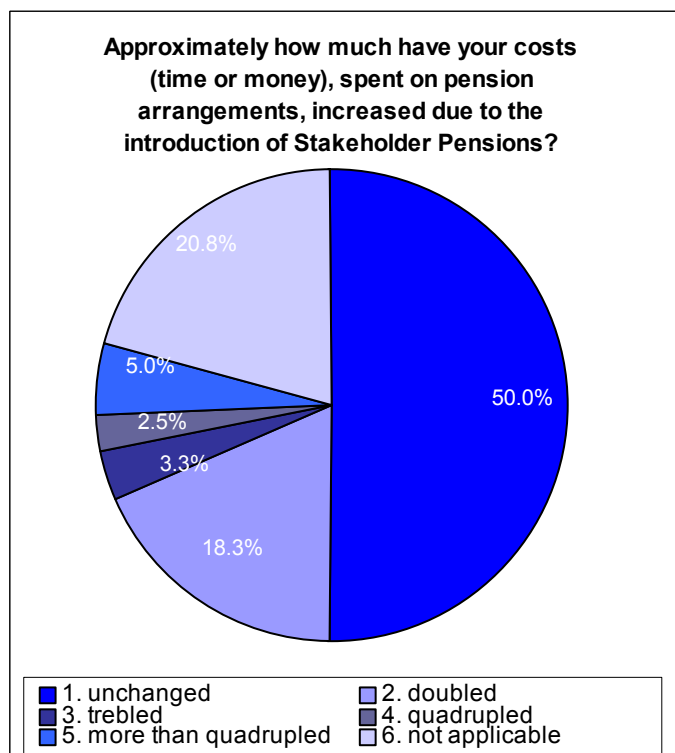
48% of respondents to the September Survey would choose Marketing as the issue they would most like addressed by a free day's consultancy. The remainder were spread between recruitment, finance, management skills and regulation, but the least interest was shown in recruitment. In April we asked how often external advice is sought on Marketing, and found that 55% of respondents already consult at least once a year, and 6% consult more than 5 times a year about Marketing. 49% of respondents to the July survey have never used outside marketing suppliers.



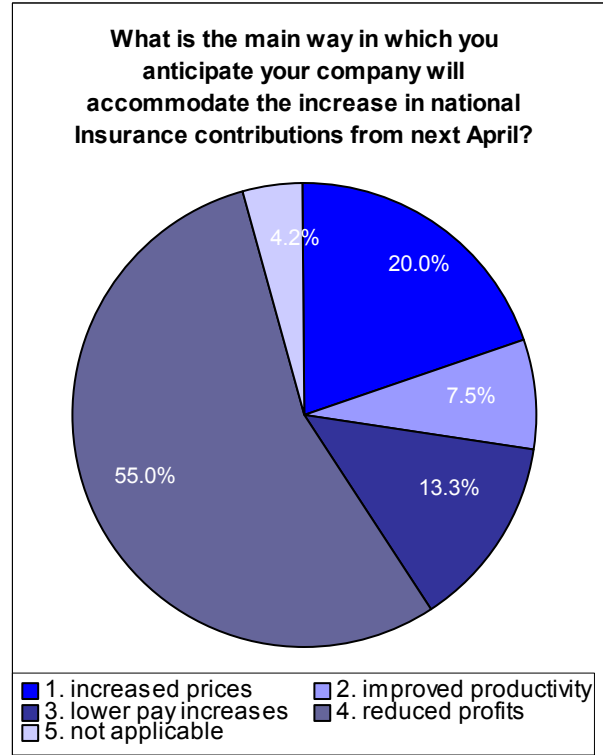
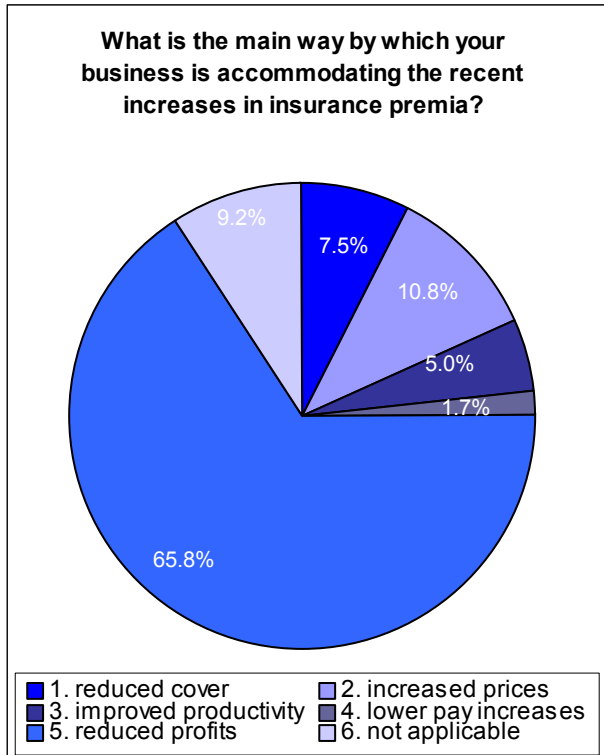
Trades Union membership appears not to be a major issue for by far the largest majority of our respondents. Only 16% had any membership at all by their employees – equivalent to 22% after excluding the ‘not applicable’ responses..



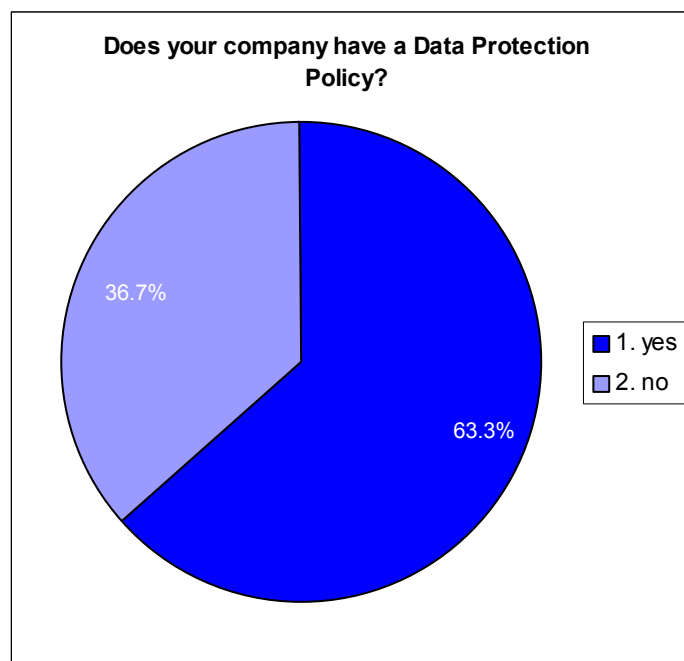
Back in February 2001, 68% believed that they would have their costs increased by the introduction of Stakeholder Pensions but so far half of respondents have not had to increase their resources in any respect to deal with it. Some of those that have been impacted have faced doubling, trebling, quadrupling or more of costs of pension arrangements.



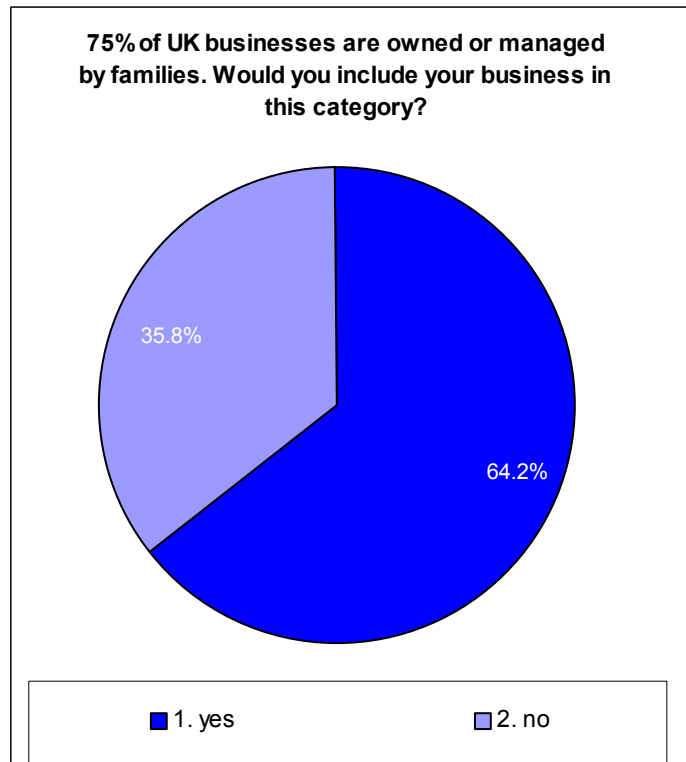
Other 'difficult to control' costs where increases have recently been announced include insurance premia and employers' National Insurance contributions. Over half of the firms who respond to our survey think they will absorb these increases through lowering their profit margin rather than increasing prices or some other tactic. Firms are also more likely to try to 'share' the NI increase burden with employees through lower pay rises or higher productivity than they are to try to offset their higher insurance costs through lower pay settlements.



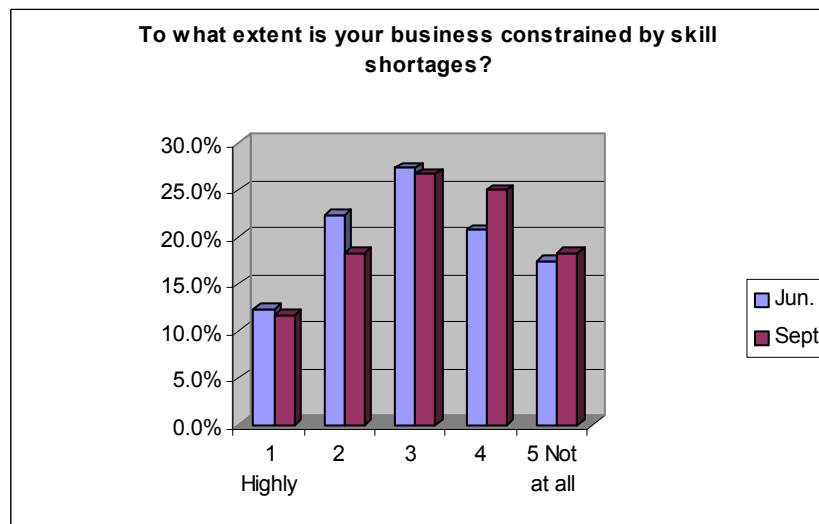
The Data Protection Act 1998 was brought into force on 1 March 2000. This Act has implications for everyone who processes manual or electronic personal data. Small businesses may not formerly define a policy and only 63% of our respondents say that they have one.

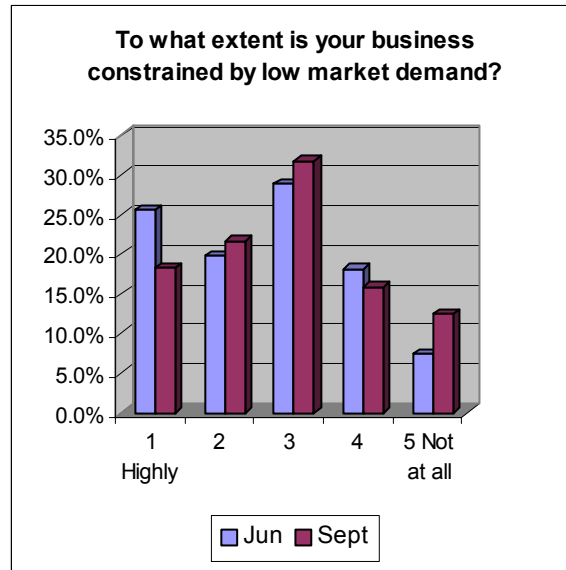
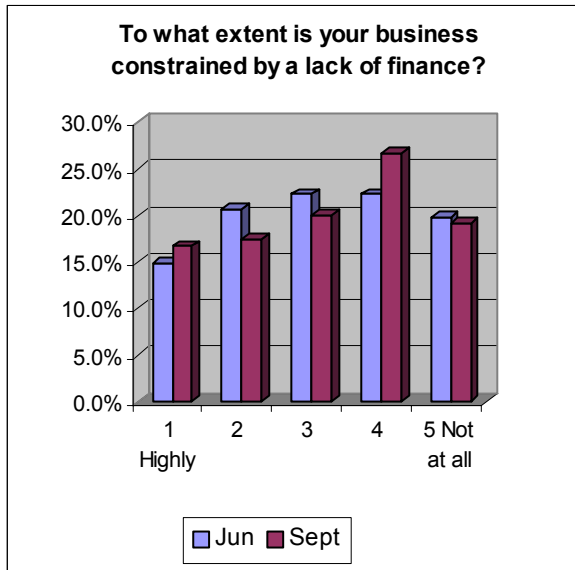


Although 64% of our respondents think of their businesses as family owned or managed, this is less than the UK average of 75%.

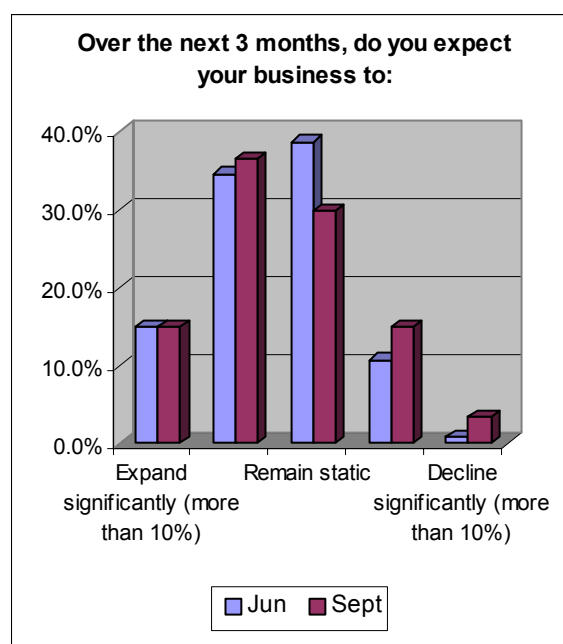
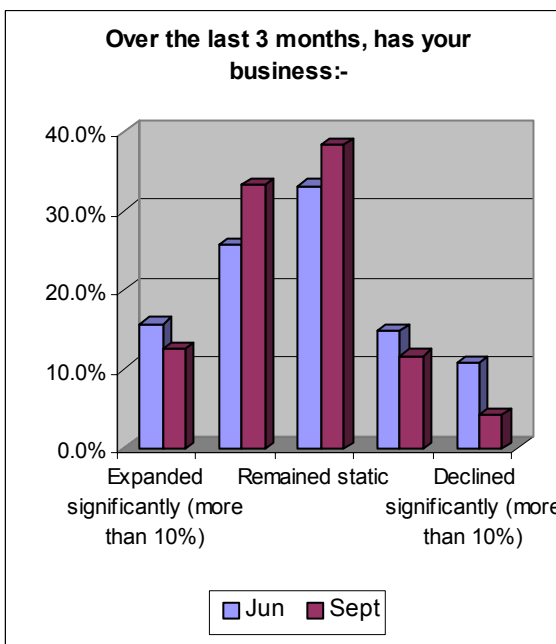


Over the third quarter, weighted average constraints due to skill shortages and to finance have slightly increased, those due to lack of market demand have decreased.





Over the last three months slightly more businesses expanded or were static than declined, but the growth averaged out at about the same, positive, level as the second quarter average. Looking forward, the average expectation is for an increased growth, with those expecting expansion outnumbering those expanding decline.



Listed below are extracts from feedback received in Survey BB52 September 2002
Comments are listed under sector headings.

Views expressed are those of individual panellists and may not represent those of the University.

Business Services

We operate within the rail industry, which is suffering over regulation due to past incidents. This in turn has affected the insurance market. Added to this is the administration of Railtrack and you have a most unusual set of circumstances.

Business Services cont'd

Cautious venture capital markets are severely constraining business growth in the young innovative/entrepreneurial businesses, which we seek to support.

Production & Manufacturing

The government legislation and lack of sympathy for the manufacturing industry has finally beaten us. This is the last entry we will be making.

Other

In the last 20 years we have not seen before the decline we now have in the manufacturing industry.